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Monday, December 10, 1984

# Advertising Age®

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## Never too old

"My idea of a good time is not sleeping with the coats," says well known party animal George Burns in an upcoming campaign explaining why he drinks Anheuser-Busch's LA low-alcohol beer. But when a fur-coated temptress arrives he says, "Maybe I'll change my mind." *(See story on Page 10.)*

# Nets out to bring barter back in line

## Growing $500 M market threatens sales

By VERNE GAY

NEW YORK—Network tv, which has long dismissed barter syndication as a nuisance for spot tv, is conceding for the first time that the growing $500 million barter market poses a most pressing threat to national tv sales.

ABC-TV's marketing development department has produced an extensive three-part primer on barter and how advertisers are using the medium. The primer, which ABC says is intended to educate top network sales personnel on barter and how to blunt its acceptance with advertisers, includes a long diatribe on the drawbacks to syndication, according to sources who have seen the report. The primer has been making the rounds at ABC for six weeks.

ABC is following CBS-TV's lead, which in October made a barter presentation to several agencies. Those presentations resulted from a CBS Sales internal study of advertiser-supported barter last February in what it described as a fact-finding mission. Sources said the CBS presentation was not well received by agency executives.

It's not known whether ABC plans to make its antibarter primer public. However, sources speculated that if the manual receives a favorable response from key members of the advertising community, ABC may build a new marketing program around it.

"The internal presentation was created to build on an account exec's knowledge of syndication, and we may be doing an adaption of it," said Chuck Gabelmann, vp-sales development and affiliate projects, ABC. "Barter is certainly growing. I don't want to say that it's full-fledged competition, but it's certainly something we have to keep an eye on."

Mr. Gabelmann did not reveal the conclusions of the ABC presentation. Based on the CBS presentations, however, the network probably criticized syndication for its lengthy delays in audience measurement and the great variance of syndi-

*(Continued on Page 80)*

### Manufacturer/retailer power balance is the target

# O&M now a 1-stop shop

By STEWART ALTER

Ogilvy & Mather International disclosed last week it has been working for two years on a comprehensive strategy to restore leverage lost by manufacturers to retailers.

A key element in O&M's strategy, outlined at meetings with institutional investors, is the coordinated use of advertising, public relations, direct marketing and other services that Ogilvy has been marshalling under its banner.

O&M was one of three publicly held agencies that discussed growth strategies before gatherings of blue-chip investors organized by Wertheim & Co., a New York securities company.

Wertheim sponsored two days of presentations—one day in Boston and the other in Chicago—in which the managements of O&M International, Saatchi & Saatchi and BBDO International each made an "invest-in-us" pitch.

Those presentations offered some marked contrasts between the organizations and strategies of these three major multinational agencies.

Saatchi's intention to expand the scope of its services already has become evident through its recent whirlwind acquisitions of the Hay Group management consulting company and the Yankelovich, Skelly and White research company.

But O&M, with less fanfare, apparently also has been hatching a major, if dissimilar scheme, to expand its mandate as a communications company. Unlike Saatchi (but like BBDO), it plans only to stay in advertising and related fields.

O&M maintained in its presentation

*(Continued on Page 82)*

# Carbide deals with disaster

By GAY JERVEY

Top Union Carbide Corp. officials were meeting at their Danbury, Conn., headquarters Dec. 7 with Marsteller Inc.'s Burson-Marsteller crisis communications unit —the public relations group that two years ago helped Johnson & Johnson deal with its Tylenol poisonings crisis.

The scope of Union Carbide's problem became more pronounced with each passing hour last week, as a poison gas leak at its plant in Bhopal, India, killed nearly 2,000 people and injured tens of thousands of others.

The Bhopal disaster, called the worst industrial accident in history, led India's government to arrest Carbide chairman Warren Anderson on "negligence and corporate liability" charges when he arrived at the stricken city. He was later released.

The chaos at company headquarters was exacerbated by several bomb threats during the week. UC was unable to implement an immediate plan of action.

According to Tom Mosser, president of Burson-Marsteller's New York office, the agency's crisis management group—which recently worked with Great Adventure following a tragic fire at its Jackson, N.J., amusement park—is studying the problem from all possible angles.

"They're doing all the right things—looking into the possibility of research to determine public opinion, to find out what people are saying and thinking," Mr.

*(Continued on Page 83)*

NEWSPAPER

At 76, Annenberg's

3

AA
DC20014CONGLI FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

## Last Minute News

### Y&R/Zemp execs perish in Florida plane crash

JACKSONVILLE, FLA.—Two executives at Young & Rubicam/Zemp, St. Petersburg, were among 13 persons killed Dec. 6 in the crash of a Provincetown-Boston Airline plane shortly after takeoff. They were James Killinger, 43, vp-associate creative director, and Gail Palmer, 27, account exec. They were returning to St. Petersburg following a client meeting with Florida National Bank execs. In October, a helicopter crash in the Virgin Islands took the lives of Wells, Rich, Greene art director Joseph Capitelli and free-lance photographer Gordon Gahan (AA, Oct. 25).

### Print campaign seeks to buck up IRA use

WASHINGTON—Foundation for Savings Institutions next month will break a $14 million, three-month campaign to draw investors from mutual funds to Individual Retirement Accounts. Backer & Spielvogel, New York, handles the print campaign. It attacks mutual funds' poor showing in the last year and pitches IRAs as "the retirement plan that comes with a money-back guarantee."

### Almay takes first step with moisturizer

NEW YORK—International Playtex's Almay division will introduce its first one-step, hypo-allergenic moisturizer in cream and lotion in early 1985. Saatchi & Saatchi Compton will handle the $4.7 million ad budget.

*(Continued on Page 8)*

# Bucks balloon in big burger battle

By SCOTT HUME

The so-called "Battle of the burgers" has become the "Battle of the network stars."

Network tv ad spending by the Big 3 burger chains—McDonald's, Burger King and Wendy's—totaled $189.4 million during the first nine months of this year, a whopping 94% increase over the $97.5 million spent by the hamburger giants during 1983's first three quarters, according to figures from the Television Bureau of Advertising and Broadcast Advertisers Reports.

The largest dollar increase came from McDonald's, which nearly doubled network spending and is well on its way to becoming one of the largest network advertisers. Big Mac's bill was $60.8 million above what it spent during the first nine months of 1983 for a total through September of $122.3 million.

When McDonald's last year urged its franchisees to raise from 25% of sales to 2% their contribution to the Operators National Advertising Fund (used to buy network time), one fast-food chain executive charged Big Mac with attempting to "drown out" all competing advertising (AA, Oct. 3, '83).

That may have been McDonald's goal, but Wendy's and Burger King franchisees also have upped their network contributions to keep their shares of network time.

Wendy's more than doubled its network spending from $11.1 million to $24.4 million. Burger King's network expenditures were $42.7 million, up 71%.

The adjusted franchisee contributions account in large part for the double and triple-digit increases registered this year in network spending.

But this battle of network budgets isn't over yet.

"You'll see our network spending rising at a faster rate than it has in the past," said Wendy's exec vp William Welter. "In addition to the increased contributions, there's the double effect of our faster rate

(Continued on Page 82)

## Fast-food chains' tv spending

Burger King and Wendy's continue to increase over-all tv spending by larger percentages than McDonald's, but they still can't match Big Mac's budget. At its current rate of increase, McDonald's may spend $250 million on tv advertising this year, two-thirds of it on the networks. Wendy's has increased network buyr 120%. *Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.*

| Rank/Chain | Jan.-Sept. 1983 ($ thousands) Network | Local | Total | Jan.-Sept. 1984 ($ thousands) Network | Local | Total | Per cent change '82-'83 |
|---|---|---|---|---|---|---|---|
| 1. McDonald's | 61,534.7 | 75,519.7 | 137,054.4 | 122,257.6 | 65,913.9 | 188,171.5 | +37 |
| 2. Burger King | 24,866.6 | 32,937.3 | 57,803.9 | 42,726.1 | 56,646.4 | 99,372.5 | +72 |
| 3. Wendy's | 11,096.1 | 20,980.1 | 32,076.2 | 24,404.0 | 30,620.7 | 55,024.7 | +72 |
| 4. Kentucky Fried Chicken | 23,923.5 | 15,046.7 | 38,970.2 | 32,126.5 | 17,506.8 | 49,633.3 | +27 |
| 5. Pizza Hut | 15,631.6 | 21,335.5 | 36,967.1 | 13,528.5 | 30,499.4 | 44,027.9 | +19 |
| 6. Red Lobster Inns | 4,869.1 | 17,475.4 | 22,344.5 | 12,908.0 | 10,727.9 | 23,635.9 | + 6 |
| 7. Taco Bell | — | 14,323.7 | 14,323.7 | — | 21,641.5 | 21,641.5 | +51 |
| 8. Hardee's | — | 12,781.5 | 12,781.5 | 4,718.0 | 14,027.1 | 18,745.1 | +47 |
| 9. Denny's | 11,421.1 | 2,379.7 | 13,300.8 | 12,214.7 | 2,954.8 | 15,169.5 | +14 |
| 10. Long John Silver's | — | 13,408.0 | 13,408.0 | — | 14,655.3 | 14,655.3 | + 9 |
| 11. Arby's | 3,768.9 | 4,976.2 | 8,745.1 | 2,869.3 | 6,247.0 | 9,116.3 | + 4 |
| 12. Jack in the Box | 187.7 | 10,633.4 | 10,821.1 | — | 8,687.7 | 8,687.7 | −20 |
| 13. Dairy Queen | — | 8,394.8 | 8,394.8 | — | 8,594.4 | 8,594.4 | + 2 |
| 14. Sizzler | — | 6,450.7 | 6,450.7 | — | 7,782.6 | 7,782.6 | +21 |
| 15. Godfather's Pizza | - | 5,800.3 | 5,800.3 | — | 7,534.2 | 7,534.2 | +30 |
| Top 15 total | 157,299.3 | 262,443.0 | 419,742.3 | 267,752.7 | 304,039.7 | 571,792.4 | +36 |
| Category total | 160,134.9 | 358,838.5 | 518,973.4 | 270,513.7 | 426,099.9 | 696,613.6 | +34 |

# Highlights

**While consumer** acceptance of low-alcohol beer remains unclear, Anheuser-Busch has embraced its LA beer as a member of the family. *See Page 10.*

**Just as major** toothpaste marketers are jumping on the pump-dispenser bandwagon, Minnetonka will toss a whole new element into the market by introducing its Check-Up dentifrice nationally in a flip-top container. *See Page 12.*

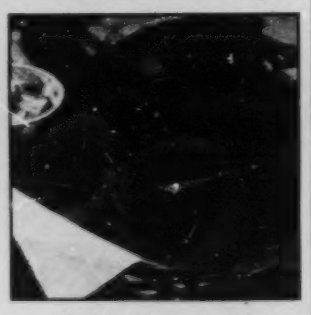
**Julius Erving** has followed a strict game plan on and off the court. The Philadelphia 76er's forward has developed a marketing career, making endorsements for a variety of products, including Coca-Cola. *See Page 38.*

**Exports are booming** for the creative departments of many Spanish ad agencies. More multinational advertisers are placing their pan-European campaigns in the hands of Spanish agencies. *See Page 40.*

**Their legal brief** alleges "anti-trust violations," but that's just a nicer way for 11 major airlines to charge United Airlines and American Airlines with trying to bleed them dry. *See Page 69.*

**Pegasus Airlines**, a new carrier, expects to launch service in April on some Caribbean routes abandoned by bankrupt American International Airways. *See Page 69.*

**Land O'Lakes** is testing its



new Cheddar Cheese rings in restaurants in the eastern and southern U.S. *See Page 75.*

### CORPORATE CLOSEUP

**Ivor Wallace Hughes**, chairman-ceo of Brown & Williamson Tobacco Co., is leading a company emerging from two years of corporate introspection, reorganization of the marketing department and rethinking of virtually every aspect of the way it does business. B&W, said Mr. Hughes, is now a "very, very aggressive competitor." *See Page 4.*

### FORUM

**Management professor** S. Prakesh Sethi thinks counteradvertising may be a tool to help open up Japanese markets. *See Page 18.*

**Copywriter** Rob Resnick wonders whether he and his cohorts are the Rodney Dangerfields of creative departments. *See Page 18.*

### INTERNATIONAL

**In Chile**, a state of siege that has caused the deepest political turmoil since the 1970s has had one side effect: It has been a bonanza for tv ads. *See Page 48.*

**John Bernbach**, the 40-year-old son of the late Bill Bernbach, says he has no designs on filling his famous father's shoes as head of Doyle Dane Bernbach's worldwide operations and that he is happy with his appointment as president of the agency's international division. *See Page 48.*

**Heisse Hexe** (Hot Witch) is the name of hot hamburgers and cheeseburgers being sold in Germany from mobile units, containing a freezer with a microwave oven on top. *See Page 50.*

### VIDEOTECH

**NBC-TV**, bolstered by improved ratings and demographics, already is enjoying tremendous monetary advantages in its new No. 2 position *See Page 56.*

**NBC and CBS** will weigh in with heavyweight miniseries in April, 1985, to end the regular season with a wallop. ABC has planned no miniseries for that period. *See Page 57.*

### COMING THURSDAY

### SPECIAL REPORT

**California** isn't Connecticut. It isn't like any of the other 48 states either, when it comes to life style and product preferences. California establishes trends for the rest of the nation, and so plays an important marketing role.

### REGULAR FEATURES


ACCOUNT CHANGES ..... 24
ADBEAT ..... 75
ADVERTISER PEOPLE ..... 66
ADVERTISING MARKETPLACE ..... 71
BAR/AA NEW TV PRODUCTS ..... 62
BRADY'S BUNCH ..... 62
CON-SID-ERATIONS ..... 14
CORRECTIONS & CLARIFICATIONS ..... 6
EDITORIAL ..... 14
FOR THE RECORD ..... 79
FORUM ..... 18
LETTERS ..... 20
OBITUARIES ..... 84
PERSONAL PRIVILEGE ..... 28
PHOTO REVIEW ..... 44
PRESSTIME ..... 8
REGIONAL NEWS ..... 60
RESEARCH BEAT ..... 32
RESEARCH PEOPLE ..... 32
VIDEOTECH UPDATE ..... 56
WORLD NEWS ROUNDUP ..... 3


FIGURES TO FILE


NEWSPAPER AD EXPENDITURES FOR SEPTEMBER, 1984 ..... 68
FAST-FOOD CHAINS' TV SPENDING ..... 2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# IBM's portable out to lap field in pc market

By BRIAN MORAN

IBM Corp. is preparing to invade another segment of the fiercely competitive personal computer market with a powerful 10-lb. portable, 20 lbs. lighter than its smallest current model.

The new briefcase-size Personal Computer, which industry sources said could be unveiled as early as this week, seems certain to spark a bruising new battle for Big Blue rivals Data General Corp., Hewlett-Packard, Texas Instruments and dozens of other brands.

A string of other companies is lined up to climb into the ring next year.

Though IBM's Entry Systems division, Boca Raton, Fla., would not confirm the existence of the lap model, sources said several prototypes have been developed.

Next to the IBM name, the new machine is expected to boast a significantly easier to read screen.

The lap machine will herald an anticipated flurry of personal computer product upgrades from Big Blue. Analysts expect IBM to unleash faster versions of the PC and PCjr machines by February.

More than 100 portable models are competing for shelf space in what's become one of the fastest growing personal computer segments, and the field is expected to swell even more with the anticipated arrival next year of machines from Japanese companies.

The IBM machine will be pitted directly against similar 10-lb.

(Continued on Page 83)

# Sunlite brand gets a new ray of hope

By RUTH STROUD

FULLERTON, CAL.—Beatrice/Hunt-Wesson Foods has renamed and repositioned its ailing Sunlite sunflower oil in an effort to make it shine again as part of a family of Wesson oils.

At the same time, the company is expanding the Wesson oil line with a new corn oil, taking on the category king, Englewood Cliffs, N.J.-based CPC International's Mazola corn oil. Until now, the Wesson line consisted only of vegetable oils.

In changing the name to Sunlite Wesson 100% sunflower seed oil, the company is attempting to cash in on the well known Wesson brand name.

"If that doesn't work, I don't see much hope for it," noted one observer. (The name Sunlite has been reduced in size on the label and gradually will be eliminated.)

National tv and print ads reassure consumers that despite the new name and plastic bottle, this is the same 100% sunflower oil they're accustomed to. Dailey & Associates, Los Angeles, is the agency. Ketchum Advertising, San Francisco, handles Wesson vegetable oil, plus the new Wesson corn oil.

Once the rising star in Hunt-Wesson's oil business, Sunlite's market share has dropped dramatically from a peak of 5.1% (pound share) in 1980 to 2.3% in recent months.

By all accounts, its decline has been expensive for the company. One competitor estimated Hunt-Wesson has poured $40 million into tv advertising on the brand since its inception, not to mention ex-

(Continued on Page 82)

# Castor big winner for Hispanic efforts

New York—Castor Spanish International emerged as the big winner in the recent El Cervantes Media Awards presentation.

This is the third year that the nonprofit Hispanics in Communications has made the presentations, which recognize advertising efforts aimed at Hispanic consumers.

In the outdoor-transit category, the El Cervantes client-agency winners were Heublein-CSI for regional and OTI Song Festival-Spanish International Network for national.

The winning combination in the newspaper category was Lite beer from Miller and its agency, Mendoza, Dillon & Asociados, Newport Beach, Cal.

In magazines, Belleza International-Les Pinto & Co. was the national winner and Heublein-CSI was the local winner.

In radio, Dr Pepper Co.-Zubi Advertising Services, Miami, won for the local 60-second spot category, and Stroh Brewery's Schaeffer beer and agency, Badillo-Compton, Caparra Heights, P.R., won for best regional 60-second spot.

In other radio categories, Fabulous Diamonds-ZAS won for the best local campaign. The best regional campaign belonged to Zayre Corp.-Ingalls Associates, Boston. The best national campaigns were Anheuser-Busch's Budweiser and CSI and Coca-Cola Co.-CSI.

In public service radio, the winners were Museo Cubano de Arte y Cultura-ZAS, and United Way of Dade County-ZAS.

Cervantes tv winners were Stroh's Schaeffer-Badillo-Compton for regional campaign, and A-B's Budweiser-CSI and Ford Motor Co.-J. Walter Thompson-Hispania for national campaigns.

Budweiser and CSI also were the client-agency winners in the best multimedia national campaign.#

## FLASH REPORT: Newspaper advertising investment for September

| CATEGORIES | YEAR | DOLLARS 1984 | DOLLARS 1983 | CHANGE ACTUAL $ G OR L | CHANGE % G OR L |
|---|---|---|---|---|---|
| Department stores | 1984 | $88,126,885 | $69,735,445 | +18,391,440 | +26.4 |
| | 1983 | | | | |
| Food stores | 1984 | 23,564,088 | 23,167,247 | +396,841 | +1.7 |
| | 1983 | | | | |
| Radio, tv, phonographs, records | 1984 | 14,292,966 | 12,314,854 | +1,978,112 | +16.1 |
| | 1983 | | | | |
| Alcoholic beverages | 1984 | 2,216,728 | 2,692,860 | −476,132 | −17.7 |
| | 1983 | | | | |
| Cameras, photo supplies & services | 1984 | 341,699 | +81,551 | −139,852 | −29.0 |
| | 1983 | | | | |
| Beverages: coffee and tea | 1984 | 84,723 | 99,467 | −14,744 | −14.8 |
| | 1983 | | | | |
| Beverages: soft drinks, diet/non diet | 1984 | 203,505 | 349,465 | −145,960 | −41.8 |
| | 1983 | | | | |
| Soaps, cleansers & polishes | 1984 | 199,811 | 212,163 | −12,352 | −5.8 |
| | 1983 | | | | |
| Cold, cough & sinus remedies | 1984 | 253 | 0 | +253 | ++ |
| | 1983 | | | | |
| Headache remedies & sedatives | 1984 | 161,801 | 1,836 | +159,965 | +6712.7 |
| | 1983 | | | | |
| Publishing & media | 1984 | 13,521,449 | 11,132,171 | +2,389,278 | +21.5 |
| | 1983 | | | | |
| Sporting & Leisure time equipment | 1984 | 353,354 | 1,012,100 | −658,746 | −65.1 |
| | 1983 | | | | |
| Cigarettes | 1984 | 5,617,840 | 3,940,348 | +1,677,492 | +42.6 |
| | 1983 | | | | |
| Cosmetics, makeup & manicure products | 1984 | 395,110 | 338,128 | +56,982 | +16.9 |
| | 1983 | | | | |
| Airlines | 1984 | 9,773,279 | 9,903,212 | −129,933 | −1.3 |
| | 1983 | | | | |
| Passenger cars-new | 1984 | 10,929,043 | 8,075,789 | +2,853,254 | +35.3 |
| | 1983 | | | | |

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

**Source: Media Records Inc.**

# Retail continues surge in papers

New York—Retail ad spending in daily newspapers continues surging, with department stores leading the way, according to the September Flash Report of Newspaper Advertising Investments.

The report, prepared for Advertising Age by Media Records, tracks newspaper retail advertising in 15 markets.

The department store category, the largest user of the newspaper medium, showed a 26.4% increase in September, 1984, over the same month in '83, with total expenditures for the category exceeding $88 million.

Among other categories posting gains were food stores, up 1.7% to $23.5 million; radios, tvs, phonographs and records, up 16.1% to $14.3 million; publishing and media, up 21.5% to $13.5 million; new passenger cars, up 35.3% to $10.9 million; cigarets, up 42.6% to $5.6 million, and cosmetics, makeup and manicure products, up 16.9% to $395,110.

Ad spending for headache remedies and sedatives sprouted from nearly nothing in September, 1983, to $161,801 in September, 1984.

Among categories posting losses were alcoholic beverages, down 17.7% to $2.2 million; airlines, down 1.3% to $9.8 million; sporting and leisure-time equipment, down 65.1% to $353,354; cameras, photo supplies and services, down 29% to $341,699; beverages-soft drinks, down 41.8% to $203,505; soaps, cleansers and polishes, down 5.8% to $199,811, and beverages-coffee and tea, down 14.8% to $84,723.#

DECALS
ALL TYPES & IRON ON
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Pressure Sensitive • Water Mount
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Manufacturers
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(312) 829-0145

# Tv, admen stay with boxing

By ROBERT RAISSMAN

NEW YORK—The tv networks and agencies involved in boxing telecasts took the American Medical Assn.'s roundhouse punch at the sport last week and shrugged it off.

The AMA called for the abolition of both amateur and professional boxing, citing its adverse effects on the health of participants. Ironically, if the AMA's action leads to legislation, the networks might be the only organized force to lobby in boxing's favor.

"So long as boxing is a lawful, licensed, sanctioned sport [and] so long as a substantial number of our viewers want to watch boxing and demonstrate that interest through the ratings, we will broadcast the sport," said Neal Pilson, exec vp, CBS/Broadcast Group.

Conceding that the AMA has the right to urge states to ban the sport, Mr. Pilson said, "I don't think it's up to the networks to set the law and the tastes for the American sports viewer."

NBC boxing consultant Dr. Ferdie Pacheco said the AMA resolution could affect boxing, "but just how much, I don't really know."

An ABC spokesman said the network will continue to air the sport and "report" what's going on during the event rather than get involved in making any moral judgment concerning boxing or any other sport it covers.

Agency sources maintained that advertisers would continue to put their dollars into boxing. "We are looking at the audience it [boxing] generates," an agency exec said. "But we're looking at the audience any event generates, regardless of what sport."

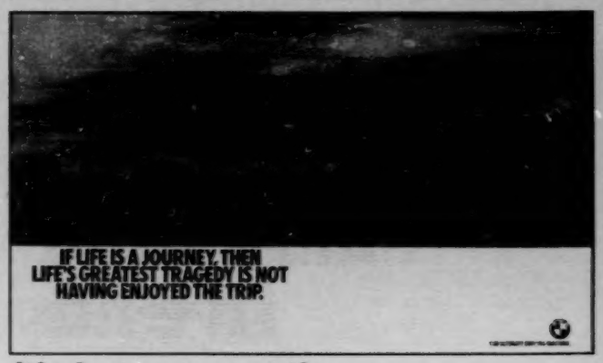
In most cases, advertisers purchase boxing inside a sports anthology program. They don't know specifically when boxing will be on the schedule but are aware that anthologies with boxing as the main event get higher ratings than anthologies without boxing.

If boxing were to be pulled from an anthology, ratings likely would slip, especially in the key male 18-to-45-year-old group.

"If the AMA is against boxing and the public agrees, that's one thing," said Steve Leff, exec vp, Backer & Spielvogel, "but if the public doesn't agree and the sport continues, that's something else."

The boxing industry has never looked to a situation in which members might have to lobby to keep the sport alive.

"Boxing is the safest target in the sports establishment to attack because it has positioned itself that way," a network source said.#




## It's how you get there

Print ads now breaking and tv starting in mid-December for BMW retain the auto maker's "The ultimate driving machine" theme line via Ammirati & Puris, New York. The heaviest push starts in January, to avoid pre-Christmas advertising clutter. BMW is offering a larger six-cylinder engine in larger models, such as the 635CSi shown here.

# 1-stop

(Continued from Page 1)

that its strength lay in its being "one agency indivisible" that offered a "complete range of communications services, integrated and controlled from a central point," said Graham Phillips, chief financial officer at O&M International and managing director of the agency's New York office.

Mr. Phillips asked, "What is the ultimate benefit of this?" He then disclosed that "all clients have a great deal of trouble dealing with the trade. By putting all these services together, we can give them stronger consumer pull so that they will become less dependent on the trade down the road."

In an interview afterward, Mr. Phillips described this as the "much greater hidden agenda" behind O&M's development of its system of integrated, coordinated communications services. He explained that "one of the greatest concerns clients have today is the amount of money they have to spend to maintain distribution."

As factors contributing to that growing retail trade strength, Mr. Phillips listed such factors as the growth of store brands, including premium ones; scanning, which is making retailers more knowledgeable about brands than manufacturers, and the increased growth and concentration of some chains.

Mr. Phillips, however, would provide no details about how O&M plans to translate this into action.

Martin Sorrell, Saatchi's group financial director, provided some additional insight into that company's growth strategies. "We see an opportunity to expand from a strong base in marketing services to broaden the scope of the advisory services that we offer clients."

Saatchi is much less interested in centralization, coordination and integration of its services and intends to proceed cautiously in bringing them together. Asked about plans to turn management consulting or research clients into advertising ones, or vice versa, Mr. Sorrell said, "We're into new territory. We're going to take a slow and steady approach."

The Saatchi executive also gave an outline of the company's acquisition goals. He showed a chart that presented Saatchi's ranking in the U.S., U.K. and worldwide in a number of service areas, including advertising, direct marketing, management consulting, market research, pr and sales promotion.

Using this as a guide, the holes in Saatchi's network are pr, where it has no major presence on either side of the Atlantic; direct marketing, where it is No. 10 in the U.S. but not a factor at all in the U.K.; sales promotion, particularly in the U.S.; market research, especially in the U.K., and advertising in the U.S., where it will try to improve its No. 10 ranking.

The chief goal for BBDO, a relative latecomer to the international scene, is overseas growth, including specialized agencies, said Steve Kahler, BBDO exec vp and president of its Doremus & Co. subsidiary. "We are now beginning to attract the multinational clients," Mr. Kahler said, referring to recent European assignments from Apple Computer, Gillette Co., Kuwait Petroleum and Wm. Wrigley Jr. Co.

There also are three major markets where its general agencies are not in the top 10—the U.K., France, and Brazil—and where it may concentrate its efforts.#

# Burgers

(Continued from Page 2)

of new-store openings and rising average unit sales."

Those same factors will keep other chains' network spending spiraling up next year.

Trying to make the "burger battle" a four-way race is Rocky Mount, N.C.-based Hardee's, which this year made its first network buys (AA, March 19). TvB put its network spending at $4.7 million for the first nine months.

But Hardee's is heavily advertising a pre-Christmas Disney toy promotion, and exec vp-marketing Ron Wertheim said its network spending for the year will be closer to $10 million. The chain is committed to a network schedule at least through September.

Despite the challenges, McDonald's has managed to widen the gap between it and its major competitors. The nine-month McDonald's network spending is 182% of BK's and Wendy's combined spending. For the first three quarters of 1983 it was 170%.

If McDonald's network expenditures continue at this pace through yearend, its total 1984 network bill should top $160 million, putting it comfortably among the top 10 spenders in the category. Last year, the chain spent $80 million on the networks, placing it 22nd.

McDonald's total tv spending, combining network and local buys, could be nearly $250 million. That would be more than was spent on tv in 1983 by any company except Procter & Gamble, the perennial multibrand advertising champion.

From April to September, McDonald's spent $97 million on network buys, $16 million more than in all of 1983.

Sources estimate that McDonald's may have spent as much as $60 million in the third quarter alone, a period that included heavy spending during and before the Olympics, as well as the launch of the "It's a good time for the great taste of McDonald's" campaign.

Leo Burnett USA, Chicago, has McDonald's national account. J. Walter Thompson USA, New York, is BK's agency; Dancer Fitzgerald Sample, New York, handles Wendy's, and Benton & Bowles, New York, has Hardee's.

Burnett's network-billings windfall has come partly at the expense of agencies handling local co-op assignments. McDonald's local tv spending during the first nine months totaled $65.9 million, nearly 13% below the $75.5 million spent during the comparable period in 1983.

Burger King and Wendy's have continued to increase local tv ad spending while beefing up their network buys. For the first time, their combined local tv spending of $87.3 million exceeds McDonald's $65.9 million expenditure.

Network spending by the top 15 restaurant chains was $267.8 million through September, a 70% increase over the same period last year. Local tv spending rose 16%, to $304 million.#

# Tv travel ads sail up

NEW YORK—Spending for travel promotion ads on network and spot tv rose 35% for the first nine months of 1984, the Television Bureau of Advertising reports.

U.S. and foreign travel promoters spent $241.4 million on U.S. tv advertising from January through September, TvB says.

Passenger travel ad spending hit $155.9 million in the nine-month period, 34.2% above the total for the same point in '83.

United Airlines' tv ad spending soared 78.8% to $35.7 million. American Airlines' spending was up 43.2% to $29.9 million.

Australia leaped to the top of the tv ad category for country-state-local tourism, with $3.5 million spent versus none in '83.

Canada also showed a fat increase in spending. It placed third in '84, with spending of $3.1 million in the first nine months, versus only $12,000 spent a year earlier on U.S. tv ads.

The hotel-resort-tourist promotion category was up 35.8% from the first nine months of '83, with tv ad spending rising to $80 million. Ramada Inns was the largest spender at $4.8 million, up 20%. The travel-tour category increased its tv ad spending by 66% to $5.5 million. American Express Travel Stores spent $1.8 million in tv advertising, almost 18 times the total for a year earlier.#

# Chain offers burger truce

SAN DIEGO—Jack in the Box fast-food chain is spoofing the so-called "burger wars" of its competitors in a new commercial introducing its latest product, the Ham & Swiss Burger Classic.

In a 30-second spot that broke last week, the restaurant chain says "When you get tired of the burger wars," Jack in the Box is the place to go.

The commercial opens on a battlefield. A young man who looks as if he could appear in a McDonald's commercial pops up and says "two all-beef patties." He is followed by a young woman (wearing a hat that resembles those of Burger King employes) who remarks about flame broiling, then throws a grenade. In the third scene, an old lady in a trench (with a slight resemblance to Wendy's spokeswoman Clara Peller) asks, "Where's the..." but her question is interrupted by an explosion.

The new tv ad is the first of several introducing new products. Wells, Rich, Greene/West, Los Angeles, is Jack in the Box's agency.

Jack in the Box, a division of Ralston Purina Co. with some 800 units, is continuing to test a new name, Monterey Jack's, at outlets in Seattle, Albuquerque and Beaumont, Tex. (AA, Nov. 12).#

# Sunlite

(Continued from Page 2)

pensive couponing efforts.

Procter & Gamble's Puritan brand, a blend of sunflower and soy oils, cost a great deal in advertising with little return for several years, but has stablized at between 3% and 4% share, sources said.

For the new corn oil, literature sent to brokers indicates that the Beatrice Cos. subsidiary is positioning the product squarely at Mazola users. The company tells brokers it is prepared to promote the product heavily—dispensing 20 million coupons to stimulate consumer trial between January and November. Product is becoming available in the Northeast, but Ketchum sources say the agency is working on a budget and tv spots.#

# Taxes

(Continued from Page 3)

20% of all ad expenditures to the normal 43.3% corporate tax rate. Ad spending is deductible now.

Such a tax would bring in more than $520 million a year to offset a swelling budget deficit.

A government decision on the ad tax is expected Dec. 20. "There are some who are pessimistic about defeating the ad tax this year, although I am personally optimistic we can kill it," said Satoshi Watanabe, executive director of the Japan Advertising Federation.

In Australia, admen are gearing up to challenge a possible tax following the reelection this month of Prime Minister Bob Hawke.

"We should be aware of the danger and start preparing our case against it," said Fred Benchley, general manager of John Fairfax & Sons, one of Australia's most powerful media groups.

In the U.K. the Treasury Department last month leaked reports it may impose a value-added tax on newspapers and magazines —possibly as much as 15%.

"If the government increases taxes on publications, many publications will close and advertising will fall," said Mike Waterson, director of research for the British Advertising Assn.

The Indian government in 1983 eliminated some tax deductions for ad spending—in effect, imposing a tax on the industry.

The trend is hitting smaller markets, too. Advertisers and agencies are lobbying against an advertising tax in Finland. The Korean advertising industry successfully lobbied against a tax on foreign marketers' advertising last July and convinced the government to rescind an existing tax.

But perhaps the greatest fears are in Ireland, where the Assn. of Advertisers last month ran a three-page insert in Irish newspapers opposing a proposed 2% tax on some promotional expenses of tobacco marketers.#

*Contributing to this article: Laurel Wentz in London, Des Kilalea in Johannesburg, Geoffrey Lee Martin in Sydney and Jack Burton in Tokyo.*